

Cayuga County Industrial Development Agency

Audited Financial Statements
For the Year Ending December 31, 2013

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Audited Financial Statements

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INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

To the Board of Directors
Cayuga County Industrial Development Agency
Auburn, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the aggregate remaining fund information of the Cayuga County Industrial Development Agency, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Cayuga County Industrial Development Agency, as of December 31, 2013, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 to 5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Cayuga County Industrial Development Agency's basic financial statements. The schedule of supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2014 on our consideration of the Cayuga County Industrial Development Agency's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cayuga County Industrial Development Agency's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited Cayuga County Industrial Development Agency's 2012 financial statements, and our report dated January 18, 2013, expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2012 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Respectfully submitted,



CUDDY & WARD, LLP
Certified Public Accountants

Auburn, New York
February 5, 2014

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Management's Discussion and Analysis
For the year ended December 31, 2013

The Cayuga County Industrial Development Agency was created in 1970 to encourage economic welfare, recreation opportunities and prosperity for the inhabitants of Cayuga County. The Cayuga County Industrial Development Agency is a component unit of the County of Cayuga.

The following Management's Discussion and Analysis (MD&A) provides a comprehensive overview of the Agency's financial position as of December 31, 2013, and the results of its operations for the year then ended. The MD&A should be read in conjunction with the audited financial statements and related footnotes of the Agency, which directly follow the MD&A.

FINANCIAL HIGHLIGHTS

- Total revenues exceed expenses by \$186,722 in 2013 compared to 2012 when expenses exceeded revenues by \$315,377.
- Net assets for the year ended December 31, 2013 amounted to \$1,170,873, compared to \$984,151 at December 31, 2012.
- Total revenues of \$235,138 in 2013 increased from total revenues of \$13,633 in 2012.
- Total expenses of \$48,416 decreased from total expenses of \$329,010 in 2012, primarily due to the completion of the Cayuga Milk Development. In 2012, the agency gifted a roadway to the County of Cayuga.

Overview of the Basic Financial Statements

The financial statements of the Cayuga County Industrial Development Agency have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

The basic financial statements consist of a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Net Assets, a Statement of Cash Flows and accompanying notes. These statements provide information on the financial position of the Agency and the financial activity and results of its operations during the year. A description of these statements follows:

The **Statement of Net Assets** presents information on all of the Agency's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator as to whether the financial position of the Agency is improving or deteriorating.

The **Statement of Revenues, Expenses and Changes in Net Assets** presents information showing the change in the Agency's net assets during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of cash flows. Thus, revenues and expenses reported in this statement include items that will result in cash received or disbursed in future fiscal periods.

The **Statement of Cash Flows** provides information on the major sources and uses of cash during the year. The cash flow statement portrays net cash provided or used from operating, non-capital financing, capital financing and investing activities.

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Management's Discussion and Analysis
For the year ended December 31, 2013

FINANCIAL ANALYSIS OF THE AGENCY AS A WHOLE

The Agency's total net assets for the fiscal year ended December 31, 2013 increased by \$186,722. Our analysis below focuses on the net assets (Figure 1) and changes in net assets (Figure 2) of the Agency's activities.

Figure 1

Condensed Statement of Net Assets	Total Agency		Total Dollar Change
	2012	2013	2012-2013
Current assets:			
Cash	\$ 166,707	\$ 619,771	\$ 453,064
PILOT payments receivable	24,020	24,020	-
Other receivables	7,418	2,942	(4,476)
Total current assets	198,145	646,733	448,588
Noncurrent assets:			
Investment in certificates of deposit	90,776	-	(90,776)
Land and building inventory	753,051	553,326	(199,725)
Total noncurrent assets	843,827	553,326	(290,501)
Total assets	1,041,972	1,200,059	158,087
Current liabilities:			
Accounts payable	4,801	5,164	363
PILOT payments payable	24,020	24,020	-
Deferred revenue	29,000	-	(29,000)
Total liabilities	57,821	29,184	(28,637)
Unrestricted net assets	984,151	1,170,875	186,724
Total net assets	\$ 984,151	\$ 1,170,875	\$ 186,724

The increase in cash is due to the net income for the year and closing out of the investment account. Revenue exceeded expenses by \$186,722 during the year and investments decreased by \$90,776. The remaining difference is due to the sale of land and building inventory to Cayuga Milk Ingredients.

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Management's Discussion and Analysis
For the year ended December 31, 2013

Our analysis in *Figure 2* considers the operations of the Agency's activities.

Figure 2

Changes in Net Assets	Total Agency		Total Dollar Change
	2012	2013	2012-2013
Operating revenues:			
Fees for services	\$ 5,321	\$ 209,780	\$ 204,459
Rental Fees	4,400	1,953	(2,447)
Other	1,142	65	(1,077)
Gain on sale of land and building inventory	-	19,707	19,707
Total operating revenues	10,863	231,505	220,642
Operating expenses:			
General operating	32,192	38,653	6,461
Local economic development	289,386	1,378	(288,008)
Property taxes on investment in land and building	7,432	8,384	952
Total operating expenses	329,010	48,415	(280,595)
Total operating (loss) income	(318,147)	183,090	501,237
Non-operating revenues/expenses			
Interest and earnings	1,768	3,159	1,391
Gas well leases	1,002	475	(527)
Total non-operating income	2,770	3,634	864
INCREASE (DECREASE) IN NET ASSETS	\$ (315,377)	\$ 186,724	\$ 502,101

Total revenues for the Agency's activities increased by \$220,641. In 2013, the Organization received fees for new projects in the amount of \$209,780. Total expenses for the Agency decreased by \$280,594, primarily due to the development of an industrial park in 2012.

FACTORS BEARING ON THE AGENCY'S FUTURE

- The Agency does not anticipate any significant changes in revenues or expenses for year ended December 31, 2014.
- There are no known factors that would have an impact on the economic climate of the community in the foreseeable future.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Agency's clients, investors and creditors with a general overview of the Agency's finances and to demonstrate the Agency's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Cayuga County Industrial Development Agency, at 2 State Street, Auburn, New York 13021.

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Statement of Net Assets

December 31, 2013

(with comparative totals at December 31, 2012)

ASSETS

	<u>2013</u>		<u>2012</u>
Current Assets:			
Cash and cash equivalents - unrestricted	\$ 619,771	\$	166,707
PILOT payments receivable	24,020		24,020
Other receivables	<u>2,942</u>		<u>7,418</u>
 Total Current Assets	 <u>646,733</u>		 <u>198,145</u>
 Noncurrent Assets:			
Investments - certificate of deposit	-		90,776
Land and building inventory	<u>553,326</u>		<u>753,051</u>
 Total Noncurrent Assets	 <u>553,326</u>		 <u>843,827</u>
 Total Assets	 <u>\$ 1,200,059</u>	\$	 <u>1,041,972</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 5,164	\$	4,801
PILOT payments payable	24,020		24,020
Deferred revenue	<u>-</u>		<u>29,000</u>
 Total Liabilities	 <u>29,184</u>		 <u>57,821</u>

NET ASSETS

Unrestricted net assets	<u>1,170,875</u>		<u>984,151</u>
 Total Net Assets	 <u>1,170,875</u>		 <u>984,151</u>
 Total Liabilities and Net Assets	 <u>\$ 1,200,059</u>	\$	 <u>1,041,972</u>

See accompanying notes to financial statements and accountants' report

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Statement of Revenues, Expenses and Changes in Net Assets

For the Year Ended December 31, 2013

(with comparative totals for the year ended December 31, 2012)

	<u>2013</u>		<u>2012</u>
Operating Revenues:			
Fees for services	\$ 209,780	\$	5,321
Rental fees	1,953		4,400
Gain on disposal of asset	19,707		-
Other income	<u>65</u>		<u>1,142</u>
Total Operating Revenues	<u>231,505</u>		<u>10,863</u>
Operating Expenses:			
Administration	25,700		20,200
Legal	12,953		11,992
Local economic development	1,378		289,386
Property taxes	<u>8,384</u>		<u>7,432</u>
Total Operating Expenses	<u>48,415</u>		<u>329,010</u>
Operating Income (Loss)	<u>183,090</u>		<u>(318,147)</u>
Non operating Revenues (Expenses)			
Interest and earnings	3,159		1,768
Gas well lease	<u>475</u>		<u>1,002</u>
Total Non Operating Revenues	<u>3,634</u>		<u>2,770</u>
Net Increase (Decrease) in Net Assets	186,724		(315,377)
Net Assets, beginning of year	<u>984,151</u>		<u>1,299,528</u>
Net Assets, end of year	\$ <u>1,170,875</u>	\$	<u>984,151</u>

See accompanying notes to financial statements and accountants' report

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Statement of Cash Flows

For the Year Ended December 31, 2013

(with comparative totals for the year ended December 31, 2012)

	<u>2013</u>	<u>2012</u>
Cash Flows from Operating Activities:		
Cash received from providing services	\$ 185,256	\$ 2,379
Cash received from rental of property	1,953	4,400
Cash received from other income	219,496	30,142
Cash payments - contractual expenses	<u>(48,050)</u>	<u>(514,550)</u>
Net Cash Provided (Used) by Operating Activities	<u>358,655</u>	<u>(477,629)</u>
Cash Flows from Noncapital Financing Activities:		
PILOT payments received	366,733	444,394
PILOT payments paid	<u>(366,733)</u>	<u>(444,394)</u>
Net Cash Provided by Noncapital Financing Activities	<u>-</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities		
	<u>-</u>	<u>-</u>
Cash Flows from Investing Activities:		
Interest income received	3,159	1,768
Cash received on gas well leases	475	1,002
Cash transferred from (invested) in certificates of deposit	<u>90,776</u>	<u>250,000</u>
Net Cash Provided (Used) by Investing Activities	<u>94,410</u>	<u>252,770</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	453,065	(224,859)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>166,707</u>	<u>391,566</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ <u>619,772</u>	\$ <u>166,707</u>
Reconciliation of net (loss) to net cash provided by operating activities:		
Operating gain (loss)	\$ 183,090	\$ (318,147)
Gain on sale of land and building inventory	(19,707)	-
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
(Increase) decrease in other receivables	4,476	(7,418)
(Increase) decrease in land and building inventory	219,432	(81,059)
Increase (decrease) in accounts payable	365	(98,900)
Decrease in grants payable	-	(1,105)
Increase(decrease) in deferred revenue	<u>(29,000)</u>	<u>29,000</u>
Net cash Provided (Used) by Operating Activities	\$ <u>358,656</u>	\$ <u>(477,629)</u>

See accompanying notes to financial statements and accountants' report

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Notes to the Financial Statements

NOTE 1

NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Cayuga County Industrial Development Agency have been prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The Agency has the option to apply FASB pronouncements issued after that date to its Business-type Activities and has elected to do so. The more significant of the Agency's accounting policies are described below.

A. Financial Reporting Entity

The Cayuga County Industrial Development Agency is a public benefit corporation organized in May 1970 under the provisions of New York State general municipal law Article 18-A. The Agency was created to promote economic welfare, recreation opportunities and prosperity for the inhabitants of Cayuga County. Cayuga County provides economic support and appoints the members of the Agency, consequently, the Agency is part of the Cayuga County reporting entity.

The financial reporting entity consists of (a) the primary government which is the Cayuga County Industrial Development Agency, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

B. Basis of Accounting

The accounts of the Agency are maintained on the accrual basis of accounting.

C. Cash and Cash Equivalents

The Agency considers all highly liquid investments having an original maturity of three months or less to be cash equivalents.

D. Investments

Investments are stated at cost, which approximates market value.

E. Notes, Mortgages, Capitalized Leases and Allowances for Uncollectible Accounts

These receivables include notes, mortgages and capitalized leases issued to businesses which are approved by resolution of the Agency. Receivables are deemed uncollectible when the Agency institutes foreclosure procedures. Capitalized leases are shown at present value and interest is recorded as revenue.

F. Operating Revenue

Operating revenues of the Agency consist of administrative fees, interest on notes, mortgages and capitalized leases and rental on real property owned by the Agency for purposes of economic development. Investment earnings are reported as non-operating income.

G. Land and Building Inventory

The Agency has acquired real property for the purpose of selling or leasing the assets to further economic development in Cayuga County. Improvements made by the Agency have been added to the cost basis of the inventory. Because these assets are held as inventory, no provision for depreciation has been made.

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Notes to the Financial Statements

NOTE 1 NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES - Continued

H. Deferred Revenue

The Agency was the lead agency for a water project funded by the County of Cayuga. Such grants received are shown as revenues when earned, which is when expenses are incurred. Funds remaining are reported as deferred revenue.

I. Equity Classifications

Statement of Net Assets

- Restricted Net Assets

Consists of net assets with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws and regulations of other governments; or 2) law through constitutional provisions or enabling legislation.

- Unrestricted Net Assets

Consists of all other net assets that do not meet the definition of "restricted."

NOTE 2 BASIS OF ACCOUNTING AND MEASUREMENT FOCUS

All funds are accounted for on an "economic resources" measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned. Material revenues accrued include administrative fees and interest on notes, mortgages and capitalized leases. Expenses are recorded when the liability is incurred.

NOTE 3 DEPOSITS AND INVESTMENTS

State statutes govern the Agency's investment policies. In addition, the Agency has its own written investment policy. Agency monies must be deposited in FDIC insured commercial banks or trust companies located within the State. The Treasurer is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and obligations of New York State or its localities.

Collateral is required for demand deposits and certificates of deposit at 105% of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and school districts.

Total bank balances of the primary government of \$619,771 at December 31, 2013 are covered by FDIC insurance up to the limits, with the remaining amounts collateralized with securities held by the Agency's financial institution pledged in the name of Cayuga County Industrial Development Agency.

NOTE 4 PILOT PAYMENTS RECEIVABLE/PAYABLE

The agency acts as an agent in collecting Payment In Lieu Of Tax (PILOT) Payments from participating companies and remitting them to local governmental entities. The Agency reports PILOT Payments Receivable for amounts due from companies and PILOT Payments Payable for amounts to be remitted to local government entities at year end.

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Notes to the Financial Statements

NOTE 5 LAND AND BUILDING INVENTORY

Activity in land and building inventory during the year ended December 31, 2013 is as follows:

Land and Building Inventory

Balance at 12/31/2012	Additions	Sales	Balance at 12/31/2013
\$ 753,051	\$ 69,568	\$ (269,293)	\$ 553,326

NOTE 6 RELATED PARTY TRANSACTIONS

The Agency paid the County of Cayuga \$10,000 for certain administrative services and use of County property during 2013.

NOTE 7 INDUSTRIAL REVENUE BOND AND NOTE TRANSACTIONS

Certain industrial development revenue bonds and notes issued by the Agency are secured by property that is leased to companies and is retired by lease payments. The bonds and notes are not obligations of the Agency or the State.

The Agency does not record the assets or liabilities resulting from completed bond and note issues in its accounts because its primary function is to arrange the financing between the borrowing companies and the bond and note holders, and funds arising there from are controlled by trustees or banks acting as financial agents. For providing this service, the Agency receives bond administration fees from the borrowing companies. Such Administrative fee income is recognized immediately upon issuance of bonds and notes.

NOTE 8 COMMITMENTS AND CONTINGENCIES

General

The Agency is exposed to various risks of loss related to, but not limited to, torts; theft of, damage to, and destruction of assets; injuries to employees; error and omissions; natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

NOTE 9 SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 5, 2014, the date on which the financial statements were available to be issued.

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 Schedule of Supplemental Information (Bonds/Notes or Straight Leases)

Project Code: 0502 98 01A

Please Specify: Bond Project Lease Project

Name of Project:
 AUBURN METAL PROCESSING

Project Owner and Address:
 NFR
 611 COCHRAN ROAD
 SOLON, OH 44139

Project Purpose (see instructions): 9
 Federal Tax Status: Taxable Tax Exempt Total Project/Lease Amount \$ 3,500,000
 Benefited Project Amt \$ 3,500,000 Bond/Note Amount \$ 0
 Non-Profit? Y N New Tax Revenues if no exemptions granted \$ 8,472

Please check box if applicable:

Exemptions

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
State:	County:			
\$ -	\$ 6,236	\$ -	\$ 23,042	\$ -
Local:	Local (sum of city/town/village):			
\$ -	\$ 809			
	School:			
	\$ 15,997			

Payments in Lieu of Taxes (PILOTS)

County	Local(sum of city/town/village)	School	Total PILOTS	Code (see instructions)
\$ 3,049	\$ 2,209	\$ 9,312	\$ 14,570	1

Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE Employees and Salaries at Project Location Prior to IDA Status	Original Estimate of Jobs and Salaries to be Created	Original Estimate of Jobs and Salaries to be Retained	# Current FTE Employees	# FTE Construction Jobs Created during Fiscal Year
0	0	0	21	0
\$ -	\$ -	\$ -		

Light Lease: Identify method of financial assistance utilized by project, other than exemptions claimed by project. Identify by amount and type:

See Independent Auditor's Report

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 Schedule of Supplemental Information (Bonds/Notes or Straight Leases)

Project Code: 0502 93 04A

Please Specify: Bond Project Lease Project

Name of Project:
 BASS PRO

Project Owner and Address:
 FINGER LAKES MALL
 124 JOHNSON FERRY ROAD
 ATLANTA, GA 30328

Project Purpose (see instructions): 5

Federal Tax Status: Taxable Tax Exempt Total Project/Lease Amount \$ 14,233,250
 Benefited Project Amt \$ 14,233,250 Bond/Note Amount \$ 14,233,250
 Non-Profit? Y N New Tax Revenues if no exemptions granted \$ (95,382)

Please check box if applicable:

Exemptions

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
State: \$ -	County: \$ 38,293	\$ -	\$ 115,502	\$ -
Local: \$ -	Local (sum of city/town/village): \$ 5,515			
	School: \$ 71,694			

Payments in Lieu of Taxes (PILOTS)

County	Local(sum of city/town/village)	School	Total PILOTS	Code (see instructions)
\$ 46,048	\$ 8,126	\$ 156,710	\$ 210,884	1

Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE Employees and Salaries at Project Location Prior to IDA Status	Original Estimate of Jobs and Salaries to be Created	Original Estimate of Jobs and Salaries to be Retained	# Current FTE Employees	# FTE Construction Jobs Created during Fiscal Year
0	65	0	126	0
\$ -	\$ -	\$ -		

Straight Lease: Identify method of financial assistance utilized by project, other than exemptions claimed by project. Identify by amount and type:

See Independent Auditor's Report

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 Schedule of Supplemental Information (Bonds/Notes or Straight Leases)

Project Code: **0502 96 01A**

Please Specify: Bond Project Lease Project

Name of Project:
 D & W DIESEL, INC.

Project Owner and Address:
 D & W DIESEL, INC.
 1503 CLARK STREET ROAD
 AUBURN, NY 13021

Project Purpose (see instructions): 9

Federal Tax Status: Taxable Tax Exempt Total Project/Lease Amount \$ 3,152,000

Benefited Project Amt \$ 3,152,000 Bond/Note Amount \$ 0

Non-Profit? Y N New Tax Revenues if no exemptions granted \$ 59,040

Please check box if applicable:



Exemptions

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
State:	County:			
\$ -	\$ 34,572	\$ -	\$ 104,278	\$ -
Local:	Local (sum of city/town/village):			
\$ -	\$ 4,979			
	School:			
	\$ 64,727			

Payments in Lieu of Taxes (PILOTS)

County	Local(sum of city/town/village)	School	Total PILOTS	Code (see instructions)
\$ 14,262	\$ 2,054	\$ 28,922	\$ 45,238	1

Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE Employees and Salaries at Project Location Prior to IDA Status	Original Estimate of Jobs and Salaries to be Created	Original Estimate of Jobs and Salaries to be Retained	# Current FTE Employees	# FTE Construction Jobs Created during Fiscal Year
\$ -	\$ -	\$ -	199	0

Straight Lease: Identify method of financial assistance utilized by project, other than exemptions claimed by project. Identify by amount and type:

See Independent Auditor's Report

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 Schedule of Supplemental Information (Bonds/Notes or Straight Leases)

Project Code: 0502 06 01A

Please Specify: Bond Project Lease Project

Name of Project:
 D & W DIESEL, INC.

Project Owner and Address:
 D & W DIESEL, INC.
 1503 CLARK STREET ROAD
 AUBURN, NY 13021

Project Purpose (see instructions): 9

Federal Tax Status: Taxable Tax Exempt

Total Project/Lease Amount \$ 652,000

Benefited Project Amt \$ 652,000

Bond/Note Amount \$ 0

Non-Profit? Y N X

New Tax Revenues if no exemptions granted \$

Please check box if applicable:



Exemptions

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
State:	County:	\$ -		\$ -
\$ -	Local (sum of city/town/village):			
	School:			

Payments in Lieu of Taxes (PILOTS)

County	Local(sum of city/town/village)	School	Total PILOTS	Code (see instructions)
\$ -	\$ -	\$ -	\$ -	1

Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE Employees and Salaries at Project Location Prior to IDA Status	Original Estimate of Jobs and Salaries to be Created	Original Estimate of Jobs and Salaries to be Retained	# Current FTE Employees	# FTE Construction Jobs Created during Fiscal Year
\$ -				0

Straight Lease: Identify method of financial assistance utilized by project, other than exemptions claimed by project. Identify by amount and type:

--

See Independent Auditor's Report

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Schedule of Supplemental Information (Bonds/Notes or Straight Leases)

Project Code: 0502 95 01A

Please Specify: Bond Project Lease Project

Name of Project:
FINGERLAKES RAILROAD

Project Owner and Address:
FINGER LAKES RAILROAD
PO BOX 1099
GENEVA, NY 14456

Project Purpose (see instructions): 7

Federal Tax Status: Taxable Tax Exempt

Total Project/Lease Amount \$ 4,999,000

Benefited Project Amt \$ 4,999,000

Bond/Note Amount \$ 0

Non-Profit? Y N

New Tax Revenues if no exemptions granted \$ 156,044

Please check box if applicable:



Exemptions

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
State:	County:			
\$ -	\$ 31,053	\$ -	\$ 192,229	\$ -
Local:	Local (sum of city/town/village):			
\$ -	\$ 13,220			
	School:			
	\$ 147,956			

Payments in Lieu of Taxes (PILOTS)

County	Local(sum of city/town/village)	School	Total PILOTS	Code (see instructions)
\$ 12,062	\$ 12,062	\$ 12,062	\$ 36,185	1

Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE Employees and Salaries at Project Location Prior to IDA Status	Original Estimate of Jobs and Salaries to be Created	Original Estimate of Jobs and Salaries to be Retained	# Current FTE Employees	# FTE Construction Jobs Created during Fiscal Year
0	10	0	53	0
\$ -	\$ -	\$ -		

Straight Lease: Identify method of financial assistance utilized by project, other than exemptions claimed by project. Identify by amount and type:

See Independent Auditor's Report

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 Schedule of Supplemental Information (Bonds/Notes or Straight Leases)

Project Code: 0502.03.02A

Please Specify: Bond Project Lease Project

Name of Project:
 JOHNSTON PAPER

Project Owner and Address:
 MAY AND MAY ASSOCIATES
 5 GREEN LINKS TURN
 AUBURN, NY 13021

Project Purpose (see instructions): 9

Federal Tax Status: Taxable Tax Exempt Total Project/Lease Amount \$ 5,243,600
 Benefited Project Amt \$ 5,243,600 Bond/Note Amount \$ 5,243,600
 Non-Profit? Y N New Tax Revenues if no exemptions granted \$ 123,122

Please check box if applicable:



Exemptions

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
State: \$ -	County: \$ -	\$ -	\$ -	\$ -
Local: \$ -	Local (sum of city/town/village): \$ -			
	School: \$ -			

Payments in Lieu of Taxes (PILOTS)

County	Local(sum of city/town/village)	School	Total PILOTS	Code (see instructions)
\$ -	\$ -	\$ -	\$ -	1

Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE Employees and Salaries at Project Location Prior to IDA Status	Original Estimate of Jobs and Salaries to be Created	Original Estimate of Jobs and Salaries to be Retained	# Current FTE Employees	# FTE Construction Jobs Created during Fiscal Year
0	40	0	105	0
\$ -	\$ -	\$ -		

Straight Lease: Identify method of financial assistance utilized by project, other than exemptions claimed by project. Identify by amount and type:

See Independent Auditor's Report

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 Schedule of Supplemental Information (Bonds/Notes or Straight Leases)

Project Code: 0502.03.04B

Please Specify: Bond Project Lease Project

Name of Project:
 KINNEY DRUGS

Project Owner and Address:
 CLEARMART INC.
 1108 MADDEN LANE
 CORTLAND, NY 13405

Project Purpose (see instructions): 5

Federal Tax Status: Taxable Tax Exempt Total Project/Lease Amount \$ 1,310,000
 Benefited Project Amt \$ 1,310,000 Bond/Note Amount \$ 1,310,000
 Non-Profit? Y N New Tax Revenues if no exemptions granted \$ 6,980

Please check box if applicable:



Exemptions

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
State:	County:			
\$ -	\$ 8,651	\$ -	\$ 31,850	\$ -
Local:	Local (sum of city/town/village):			
\$ -	\$ 8,228			
	School:			
	\$ 14,971			

Payments in Lieu of Taxes (PILOTS)

County	Local(sum of city/town/village)	School	Total PILOTS	Code (see instructions)
\$ 6,404	\$ 6,089	\$ 12,378	\$ 24,871	

Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE Employees and Salaries at Project Location Prior to IDA Status	Original Estimate of Jobs and Salaries to be Created	Original Estimate of Jobs and Salaries to be Retained	# Current FTE Employees	# FTE Construction Jobs Created during Fiscal Year
0		0		0
\$ -	\$ -	\$ -		

Straight Lease: Identify method of financial assistance utilized by project, other than exemptions claimed by project. Identify by amount and type:

See Independent Auditor's Report

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 Schedule of Supplemental Information (Bonds/Notes or Straight Leases)

Project Code: 0502 97 02A

Please Specify: Bond Project Lease Project

Name of Project:
 OWENS-BROCKWAY CONTAINER, INC.

Project Owner and Address:
 NHW AUBURN, LLC
 ONE SEAGATE
 TOLEDO, OH 43640

Project Purpose (see instructions): 8

Federal Tax Status: Taxable Tax Exempt Total Project/Lease Amount \$ 3,600,000
 Benefited Project Amt \$ 3,600,000 Bond/Note Amount \$ 0
 Non-Profit? Y N New Tax Revenues if no exemptions granted \$ 1,561

Please check box if applicable:



Exemptions

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
State: \$ -	County: Local (sum of city/town/village): \$ -	\$ -	\$ 71,961	\$ -
	School: \$ -			

Payments in Lieu of Taxes (PILOTS)

County	Local(sum of city/town/village)	School	Total PILOTS	Code (see instructions)
\$ -	\$ -	\$ -	\$ -	1

Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE Employees and Salaries at Project Location Prior to IDA Status	Original Estimate of Jobs and Salaries to be Created	Original Estimate of Jobs and Salaries to be Retained	# Current FTE Employees	# FTE Construction Jobs Created during Fiscal Year
0	0	0	0	0
\$ -	\$ -	\$ -		

Straight Lease: Identify method of financial assistance utilized by project, other than exemptions claimed by project. Identify by amount and type:

See Independent Auditor's Report

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 Schedule of Supplemental Information (Bonds/Notes or Straight Leases)

Project Code: 0502.08.01A

Please Specify: Bond Project Lease Project

Name of Project: STERLING RENAISSANCE FESTIVAL

Project Owner and Address:
 ONTARIO REALTY, INC.
 2 MAYFLOWER CIRCLE
 OSWEGO, NY 13126

Project Purpose (see instructions): 8

Federal Tax Status: Taxable Tax Exempt

Total Project/Lease Amount \$ 1,300,000

Benefited Project Amt \$ 1,300,000

Bond/Note Amount \$ 0

Non-Profit? Y N

New Tax Revenues if no exemptions granted \$ 60,221

Please check box if applicable:



Exemptions

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
State:	County:			
\$ -	\$ -	\$ -	\$ -	\$ -
Local:	Local (sum of city/town/village):			
\$ -	\$ -			
	School:			
	\$ -			

Payments in Lieu of Taxes (PILOTS)

County	Local(sum of city/town/village)	School	Total PILOTS	Code (see instructions)
\$ 5,765	\$ -	\$ -	\$ -	9

Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE Employees and Salaries at Project Location Prior to IDA Status	Original Estimate of Jobs and Salaries to be Created	Original Estimate of Jobs and Salaries to be Retained	# Current FTE Employees	# FTE Construction Jobs Created during Fiscal Year
				0

Straight Lease: Identify method of financial assistance utilized by project, other than exemptions claimed by project. Identify by amount and type:

See Independent Auditor's Report

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Schedule of Supplemental Information (Bonds/Notes or Straight Leases)

Project Code: 0502.08.02A

Please Specify: Bond Project Lease Project

Name of Project:
UPSCO

Project Owner and Address:
TMB HOLDINGS, LLC.
23 CENTRAL STREET
MORAVIA, NY 13118

Project Purpose (see instructions): 9

Federal Tax Status: Taxable Tax Exempt Total Project/Lease Amount \$ 2,131,600
Benefited Project Amt \$ 2,131,600 Bond/Note Amount \$ 0

Non-Profit? Y N New Tax Revenues if no exemptions granted \$ 21,971

Please check box if applicable:



Exemptions

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
State:	County:			
\$ -	\$ 10,001	\$ -	\$ 36,818	\$ -
Local:	Local (sum of city/town/village):			
\$ -	\$ 9,511			
	School:			
	\$ 17,307			

Payments in Lieu of Taxes (PILOTS)

County	Local(sum of city/town/village)	School	Total PILOTS	Code (see instructions)
\$ 3,426	\$ 3,867	\$ 7,554	\$ 14,847	8

Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE Employees and Salaries at Project Location Prior to IDA Status	Original Estimate of Jobs and Salaries to be Created	Original Estimate of Jobs and Salaries to be Retained	# Current FTE Employees	# FTE Construction Jobs Created during Fiscal Year
			68	0

Straight Lease: Identify method of financial assistance utilized by project, other than exemptions claimed by project. Identify by amount and type:

See Independent Auditor's Report

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 Schedule of Supplemental Information (Bonds/Notes or Straight Leases)

Project Code: 0502.08.02A

Please Specify: Bond Project Lease Project

Name of Project:
LEBRUN MOTORS

Project Owner and Address:

Project Purpose (see instructions):

Federal Tax Status: Taxable Tax Exempt Total Project/Lease Amount \$ 2,239,500
 Benefited Project Amt \$ 2,239,500 Bond/Note Amount \$ 0
 Non-Profit? Y N New Tax Revenues if no exemptions granted \$ 42,607

Please check box if applicable:



Exemptions

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
State:	County: \$ 16,852		\$ 60,079	\$ -
Local:	Local: \$ -			
	School: \$ 43,227			
	\$ -			

Payments in Lieu of Taxes (PILOTS)

County	Local(sum of city/town/village)	School	Total PILOTS	Code (see instructions)
\$ 3,863	\$ -	\$ 13,610	\$ 17,473	1

Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE Employees and Salaries at Project Location Prior to IDA Status	Original Estimate of Jobs and Salaries to be Created	Original Estimate of Jobs and Salaries to be Retained	# Current FTE Employees	# FTE Construction Jobs Created during Fiscal Year
\$ 0			19	0
\$ -				

Straight Lease: Identify method of financial assistance utilized by project, other than exemptions claimed by project. Identify by amount and type:

See Independent Auditor's Report

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 Schedule of Supplemental Information (Bonds/Notes or Straight Leases)

Project Code: 0502.08.02A

Please Specify: Bond Project Lease Project

Name of Project:
 A-1 PUMPING/REPAIR PLUS

Project Owner and Address:

Project Purpose (see instructions):

Federal Tax Status: Taxable Tax Exempt Total Project/Lease Amount \$ 1,255,250
 Benefited Project Amt \$ 1,255,250 Bond/Note Amount \$ 0
 Non-Profit? Y N New Tax Revenues if no exemptions granted \$ 23,438

Please check box if applicable:



Exemptions

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
State:	County: \$ 7,917	-	\$ 28,226	\$ -
Local:	Local: \$ -			
	School: \$ 20,309			

Payments in Lieu of Taxes (PILOTS)

County	Local(sum of city/town/village)	School	Total PILOTS	Code (see instructions)
\$ 833	\$ 3,955		\$ 4,788	1

Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE Employees and Salaries at Project Location Prior to IDA Status	Original Estimate of Jobs and Salaries to be Created	Original Estimate of Jobs and Salaries to be Retained	# Current FTE Employees	# FTE Construction Jobs Created during Fiscal Year
8	4	8	11	0
32000	32000	32000		

Straight Lease: Identify method of financial assistance utilized by project, other than exemptions claimed by project. Identify by amount and type:

See Independent Auditor's Report

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 Schedule of Supplemental Information (Bonds/Notes or Straight Leases)

Project Code: 0502 12 01A

Please Specify: Bond Project Lease Project

Name of Project:
 GILLESPIE MOTORS INC

Project Owner and Address:
 Gillespie Motors Inc
 128 Cayuga Street
 Union Springs, NY 13160

Project Purpose (see instructions):

Federal Tax Status: Taxable Tax Exempt Total Project/Lease Amount \$ 832,500
 Benefited Project Amt \$ 832,500 Bond/Note Amount \$
 Non-Profit? Y N New Tax Revenues if no exemptions granted \$ 60,521

Please check box if applicable:



Exemptions

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
State: 27935.28	County: 4650		\$ 60,521	\$ -
Local: 29735.27	Local:			
	School:			

Payments in Lieu of Taxes (PILOTS)

County	Local(sum of city/town/village)	School	Total PILOTS	Code (see instructions)

Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE Employees and Salaries at Project Location Prior to IDA Status	Original Estimate of Jobs and Salaries to be Created	Original Estimate of Jobs and Salaries to be Retained	# Current FTE Employees	# FTE Construction Jobs Created during Fiscal Year
21	0	21	23	35

Straight Lease: Identify method of financial assistance utilized by project, other than exemptions claimed by project. Identify by amount and type:

See Independent Auditor's Report

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 Schedule of Supplemental Information (Bonds/Notes or Straight Leases)

Project Code: 0502 12 02A & 0502 12 02B

Please Specify: Bond Project **Lease Project**

Name of Project:
 CAYUGA MILK INGREDIENTS, LLC

Project Owner and Address:
 Cayuga Marketing, LLC
 PO BOX 241
 Aurora, NY 13026

Project Purpose (see instructions):

Federal Tax Status: Taxable Tax Exempt **Total Project/Lease Amount** \$ 86,000,000
Benefited Project Amt \$ 86,000,000 **Bond/Note Amount** \$ _____
Non-Profit? Y N **New Tax Revenues if no exemptions granted** \$ -4,028

Please check box if applicable:



Exemptions

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
State: 780000	County: \$ 1,874	860000	\$ 5,619	\$ -
Local: 780000	Local: \$ 270			
	School: \$ 3,475			

Payments in Lieu of Taxes (PILOTS)

County	Local(sum of city/town/village)	School	Total PILOTS	Code (see instructions)
\$ 3,218	\$ 463	\$ 5,966	\$ 9,647	1

Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE Employees and Salaries at Project Location Prior to IDA Status	Original Estimate of Jobs and Salaries to be Created	Original Estimate of Jobs and Salaries to be Retained	# Current FTE Employees	# FTE Construction Jobs Created during Fiscal Year
0	52	0	12	300
	52781			

Straight Lease: Identify method of financial assistance utilized by project, other than exemptions claimed by project. Identify by amount and type:

See Independent Auditor's Report

CAYUGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 Schedule of Supplemental Information (Bonds/Notes or Straight Leases)

Project Code: 0502 13 01A

Please Specify: Bond Project **Lease Project**

Name of Project:
 ABBOTT HOUSE

Project Owner and Address:

Project Purpose (see instructions):

Federal Tax Status: Taxable Tax Exempt **Total Project/Lease Amount** \$ 5,347,000
Benefited Project Amt \$ 5,347,000 **Bond/Note Amount** \$ _____
Non-Profit? Y N **New Tax Revenues if no exemptions granted** \$ 70,545

Please check box if applicable:



Exemptions

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions Net of RPTL Sec 485-b Exemptions
State: 35272.5	County: 0		\$ 70,545	\$ -
Local: 35272.5	Local:			
	School:			

Payments in Lieu of Taxes (PILOTS)

County	Local(sum of city/town/village)	School	Total PILOTS	Code (see instructions)
\$ -	\$ -	\$ -	\$ -	1

Full-Time Equivalent (FTE) Jobs Created and Retained

# FTE Employees and Salaries at Project Location Prior to IDA Status	Original Estimate of Jobs and Salaries to be Created	Original Estimate of Jobs and Salaries to be Retained	# Current FTE Employees	# FTE Construction Jobs Created during Fiscal Year
71	20	71	86	50
	35600			

Straight Lease: Identify method of financial assistance utilized by project, other than exemptions claimed by project. Identify by amount and type:

See Independent Auditor's Report

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PAUL L. CUDDY, CPA
RICHARD D. WARD, CPA

RICHARD L. BEAUCHINE, CPA, MST
FRANK L. DeROSA, CPA, CMC

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Cayuga County Industrial Development Agency
Auburn, New York

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of Cayuga County Industrial Development Agency as of and for the year ended December 31, 2013, and the related notes to the financial statement, which collectively comprise Cayuga County Industrial Development Agency's basic financial statements and have issued our report thereon dated February 5, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Cayuga County Industrial Development Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Cayuga County Industrial Development Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However material weakness may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cayuga County Industrial Development Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

This purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

Cuddy & Ward, LLP

CUDDY & WARD, LLP
Certified Public Accountants

Auburn, New York
February 5, 2014

CUDDY & WARD, LLP
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RICHARD L. BEAUCHINE, CPA, MST
FRANK L. DEROSA, CPA, CMC

The Board of Directors
Cayuga County Industrial Development Agency
Auburn, New York

In planning and performing our audit of the financial statements of Cayuga County Industrial Development Agency as of and for the year ended December 31, 2013, in accordance with auditing standards generally accepted in the United States of America, we considered Cayuga County Industrial Development Agency's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

This communication is intended solely for the information and use of management, the board of directors, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

We would like to take this opportunity to thank the bookkeeper for her cooperation with us during the course of our examination. If we can be of further assistance, please contact us at your convenience.

Respectfully Submitted,

Cuddy + Ward, LLP

CUDDY & WARD, LLP
Certified Public Accountants
Auburn, New York

February 5, 2014
Auburn, New York

Cayuga County Industrial Development Agency, Inc.
Memorandum of Significant Deficiencies
December 31, 2013

1. Preparation of Financial Statements.

Under current accounting standards, it is considered an internal control deficiency if the Organization cannot prepare its financial statements, including full footnote disclosures. Currently, the Organization does not have staff with the expertise to prepare the financial statements. The Organization is aware of this issue and feels that it is not cost effective to have this control in place and will continue to rely on the auditor prepared financial statements.

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RICHARD D. WARD, CPA

RICHARD L. BEAUCHINE, CPA, MST
FRANK L. DEROSA, CPA, CMC

February 5, 2014

To the Board of Directors
Cayuga County Industrial Development Agency

We have audited the financial statements of Cayuga County Industrial Development Agency for the year ended December 31, 2013, and have issued our report thereon dated February 5, 2014. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and OMB Circular A-133), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 6, 2014. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Cayuga County Industrial Development Agency are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2013. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no sensitive estimates affecting the financial statements.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no sensitive disclosures affecting the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 5, 2014.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Directors of Cayuga County Industrial Development Agency and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Cuddy & Ward, LLP

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Certified Public Accountants